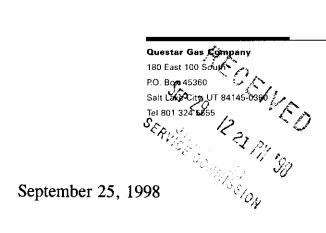
QUESTAR



Ms. Julie Orchard Utah Public Service Commission Heber M. Wells Building P.O. Box 45807 Salt Lake City, UT 84145-0807

Dear Ms. Orchard:

Re: Questar Gas Company's Monthly Report of

Intercompany Loan Activity as Required by the Commission in its Order in Case No. 85-057-09

Enclosed for filing with the Commission are three copies of forms showing Questar Gas Company's intercompany loan activity in July. The forms show that Questar Gas has loaned Questar \$0.00 as of July 31, 1998. Also enclosed are three copies of the computation of the intercompany interest rates for August 1998.

If there are any questions or if the Company can provide additional information, please let me know.

Sincerely,

Barrie L. McKay

Director Regulatory Affairs

BLM/edz Enclosures

MOUNTAIN FUEL SUPPLY COMPANY

INVESTMENT REGISTER — LOANS TO QUESTAR CORPORATION

DATE OF LOAN	LENGTH OF NOTE	DATE OF REPAYMENT	INITIAL INTERCOMPANY INTEREST RATE	AMOUNT OF LOAN	CURRENT BALANCE
6/15/95	90 1=5	hjq		(2,700,000)	3,600,000
6/16/94	901.7	6/19/95	6.11	200,000	3,800,000
6/17/95		6/7/12: 17.14		(3,(00,00))	ى
6/23/95	goday goday		6.11	1,000,000	i, soo soo
6/27/95			6.11	1,300,000	2,300,000
6/28/95	90 107		6.11	cac, ao 8	cac,evi,S
6/29/95		6/22,27,28		(5,600,000)	. 0
<u> </u>					

The intercompany interest rate calculation for the month of August, 1998 is shown below:

Market Borrowing Rate (1 month) Market Investment Rate (1 month)	5.84%
warket investment Rate (1 month)	<u>5.58</u> % 11.42%
Intercompany Interest Rate (Average)	5 71%